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CC 94-129
FCC 97-248

From: <gary.jensen@walgreens.com>
To: FCCMAIL.SMTPNLM("slamming@comments.fcc.gov")
Date: 7/31/97 11:17am
Subject: Slamming

Walgreen Co has been the victim of constant slamming for years. We are preparing a complaint against Discount Network Services, INC. right now and during the past 12 months, we have spent over 200 manhours researching and fixing slamming incidents that occur on our 24,000 phone line network, nationwide. AT&T resellers are absolutely the worst offenders.

Walgreen Co is a fortune 500, drug store retail chain, operating over 2300 stores in 34 states. We have over 24,000 business phone lines installed in those 2300 states. We are a perfect target for slammers and have been victimized constantly over the years. Some of the strategies we have employed to stop slamming have been:

1. Blocking all accounts at the telephone companies - Futile effort as telephone companies don't seem to check customer notes on accounts before accepting PIC changes from unscrupulous IXC's.
2. Sending letters to Carriers - This effort is futile as new carriers appear daily, making this task impossible to manage. Then, carriers don't check their own records.
3. The FCC guidelines are still too "wide-open" concerning telephone Telemarketing efforts.

The new Letter Of Agency rules have stopped much of the mail solicitation that, months ago, was a constant source of problems. This was a very effective move by the FCC to curb this method of slamming. However, the new Telemarketing rules are still ineffective at stopping slamming. The current procedure requires carriers to use one of four methods to confirm long distance carrier change orders. The major problem with these procedures is that the carrier is not required to verify that the person they solicit is authorized to make those changes to the customers account. There is no verification with the LEC to check for PIC blocks that would stop slamming.

Walgreens has 90,000 employees in over 2600 locations nationwide. Only Walgreens Telecommunications at the corporate offices in Deerfield, IL are authorized to change long distance carriers PIC's. All of our Local Exchange Carriers have been notified, in writing, that Walgreens Telecommunications 847-914-8055 must authorize all changes to existing accounts, including long distance PIC or any changes affecting the cost of service. Our long distance carrier has been notified that only Walgreen Telecommunications can authorize long distance carrier changes.

What the Telemarketing companies are doing is calling Walgreen stores and soliciting anyone who answers the phone to change long distance carriers. And they are using fraudulent methods to obtain that approval. In one instance, Discount Network Services, INC. called one Walgreen store over a four or five day period, asking our bookkeeper a number of unrelated questions about long distance service under the guise of doing a survey. At no time did the bookkeeper authorize a change in long distance carrier. In fact, she became suspicious of the calls after a period of time and referred the caller to her supervisor. Then, the phone lines at this location were slammed. The manager of the store identified the billing change and notified Telecommunications. We stopped payment on those bills and began our investigation of the slamming incident. The collections department of Discount Network Services (Shelly Cook) sent a tape, supposedly proving that our bookkeeper authorized the

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conversion of carriers. The manager of that store and the bookkeeper are submitting written documents stating that Discount Network Services, INC. manufactured that tape using a series of responses over a number of days from the calls mentioned above to create a positive response.

The point here is that these telemarketers will use fast talk, confusing tactics and sometimes even fraudulent practices to convince anyone who will give them the time of day to change carriers. It doesn't matter if that person (like the bookkeeper) does not have authorization to change the PIC. It doesn't matter if that person is even an employee of Walgreens. It doesn't matter that Walgreens has written blocks on all PIC changes at the LEC.

We have experienced slamming where a local consumer was called asking if it was OK with them if they changed the PIC on one of our numbers. The consumer said it was fine with them. Unfortunately, it wasn't the consumers number, it was ours. There is absolutely no verification process that the person who answers the phone is authorized to change PIC's for Walgreens.

I strongly recommend/request that the FCC force IXC's to verify with LEC's to ensure that there is no written BLOCK on customers accounts preventing PIC changes. Consumers and business must be given the option of placing a block (at no charge) on their accounts and this BLOCK flag must be queried and verified before the PIC can be changed. This would allow companies like Walgreens, who have thousands of lines and who are victimized constantly by slammers, to protect their accounts from unauthorized slamming.

We would be willing to be forced to submit written (faxed) authorizations to change PIC's if this new process makes phone orders impossible. However, LEC's could hang up and call the phone number on record as the authorized entity able to make changes to the account. This would add some flexibility to the restricted process mentioned above while maintaining integrity of the authorization process. Walgreens works often with our LEC account reps, so they know our staff and who is and is not authorized to make PIC changes. Unfortunately our account reps are not involved in the PIC change process currently done by unscrupulous IXC's, because no verification of customer blocking is ever done.

Received: From [165.135.0.253] gatekeeper2.fcc.gov
By mail.fcc.gov (GroupWise SMTP/MIME daemon 4.11)
Thu, 31 Jul 97 10:20:55 EDT
Received: by gatekeeper2.fcc.gov; id KAA04166; Thu, 31 Jul 1997 10:21:52 -0400 (EDT)
From: <gary.jensen@walgreens.com>
Received: from unknown(207.70.75.98) by gatekeeper2.fcc.gov via smap (3.2)
id xma004160; Thu, 31 Jul 97 10:21:31 -0400
Received: from mailhost1 (mailhost1.walgreens.com [207.70.76.1]) by mailrelay.walgreens.com
id JAA21424 for <slamming@comments.fcc.gov>; Thu, 31 Jul 1997 09:20:06 -0500 (CDT)
Message-Id: <TFSHIEQC@walgreens.com>
Date: Thu, 31 Jul 1997 9:17:05 -0600
To: slamming@comments.fcc.gov
Subject: Slamming
MIME-version: 1.0
Content-Type: text/plain; charset=ISO-8859-1
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